

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



December 3, 1998

ALL COUNTY LETTER 98-91

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR THIS TRANSMITTAL

- State Law Change
- Federal Law or Regulation Change
- Court Order
- Clarification Requested by One or More Counties
- Initiated by CDSS

SUBJECT: SOCIAL SECURITY COST-OF-LIVING ADJUSTMENT (COLA)

SOCIAL SECURITY COST-OF-LIVING ADJUSTMENT (COLA)

Social Security recipients will receive a 1.3 percent cost-of-living increase in their Social Security benefits on January 1, 1999. The new Social Security benefit amount can be determined by multiplying the "former" Social Security benefit amount by 1.013. This increase will affect the cash assistance grant and food stamp (FS) allotment amounts. Additionally, it could affect eligibility for California Work Opportunity and Responsibility to Kids (CalWORKs), Foster Care, Refugee Cash Assistance (RCA) and Entrant Cash Assistance (ECA) cases. If the grant or allotment amounts are adjusted due to the Social Security benefit increase, the requirements for a timely and adequate Notice of Action shall apply.

Payment Verification System (PVS) Cost-of-Living Adjustment (COLA) Notification

The California Department of Social Services (CDSS) will not be providing notification of the Social Security COLA by way of the Payment Verification System (PVS) as with other changes. However, upon request, a cost-of-living printout or magnetic tape will be provided to the counties. The COLA printouts will be subject to the 45 days timeliness requirements of the Income Eligibility Verification System (IEVS).

CalWORKS, RCA, ECA and FS Monthly Reporting Cases

For continuing cases, the Social Security increase must be reported on the January 1999 CA 7, due in February 1999, and retrospectively budgeted to determine grant and allotment amounts for March 1999. The increase must also be considered prospectively when determining income eligibility for the month of January.

Food Stamp Nonmonthly Reporting Cases

County Welfare Departments (CWDs) are required to automatically adjust the Food Stamp benefits to reflect the Social Security COLA no later than the second allotment issued after the month in which the change becomes effective for nonmonthly reporting households pursuant to Manual Section (M.S.) 63-504.46. Therefore, the increase would have to be reflected no later than the March 1999 food stamp allotment.

All New Applicants (CalWORKS, RCA, ECA and FS)

For new applicants, the actual amount of the Social Security benefit including the increase shall be used for prospective eligibility and budgeting purposes for the month of January.

In accordance with M.S. 63-504.462(b)(1)(A), no household shall be held liable for any food stamp overissuance resulting from the CWD's misapplication of the 1.3 percentage increase factor. If an underissuance of food stamp benefits occurs, the household will be entitled to a restoration of lost benefits in accordance with M.S. 63-802.

QUALIFYING QUARTERS EARNINGS

The Social Security Administration has provided the amount of earnings needed in order to be credited with a qualifying quarter for 1999 in establishing noncitizen eligibility as referenced in M.S. 63-405. The required amount is \$740.

If you wish to receive your county's printouts or magnetic tape for the COLA, please contact either Barbara Cox or Maureen Paizs of the Fraud Bureau at (916) 445-2757 or (916) 445-3417, respectively, no later than December 11, 1998. If you have any food stamp questions, please call Bill Shaw of the Food Stamp Bureau at (916) 654-1459. For CalWORKSs questions, please contact Cora Myers of the CalWORKSs Eligibility Bureau at (916) 654-2236.

Original document Signed By
Bruce Wagstaff on 12/3/98
BRUCE WAGSTAFF
Deputy Director
Welfare to Work Division